

PART 1 – THE SCHEDULE

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

TABLE OF CONTENTS

B.1	TYPE OF CONTRACT- ITEMS BEING ACQUIRED.....	2
B.2	CONTRACT COST, AWARD FEE AND PRICE SCHEDULE	2
B.3	FEE DETERMINATION AND PAYMENT - CLIN 0002	3
B.4	ALLOWABILITY OF SUBCONTRACTOR FEE	4
B.5	OBLIGATION OF FUNDS	4
B.6	FUNDING PROFILE	4
B.7	AUTHORIZATION OF TRANSITION COSTS UNDER THE CONTRACT- CLIN 0001.....	5
B.8	CONDITIONAL PAYMENT OF FEE	5
B.9	SMALL BUSINESS SUBCONTRACTING FEE REDUCTION	5
B.10	FEE REDUCTIONS	6
B.11	LIMITATION OF GOVERNMENT’S OBLIGATION – CLIN 0003	6

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 TYPE OF CONTRACT- ITEMS BEING ACQUIRED

- (a) This is a performance based Contract that includes Cost-Plus-Award-Fee (CPAF) Contract Line Item Numbers (CLINs) and Firm-Fixed-Price (FFP) CLINs. This is a Contract for the Operation of the Depleted Uranium Hexafluoride (DUF6) Conversion Facilities and management of the cylinder yards located at the Department of Energy (DOE) Portsmouth Gaseous Diffusion Plant Site in Ohio, and at the DOE Paducah Gaseous Diffusion Plant Site in Kentucky, with some management functions performed at an office located in Lexington, Kentucky. The Contractor shall furnish all personnel, facilities, equipment, material, supplies, services (except as expressly set forth in this Contract as furnished by the Government) and otherwise do all things necessary for, or incident to, the performance of work as described in this Contract.

B.2 CONTRACT COST, AWARD FEE AND PRICE SCHEDULE

- (a) **CLIN 0001 – Transition Operations Phase – Cost Reimbursable – No Fee** – See Section C, Performance Work Statement (PWS) C.3. The Transition Operations Phase is anticipated to be ninety (90) days from the date of the written Notice To Proceed (NTP). No fee will be payable to the Contractor for the Contract TOP.

CLIN	Description of Services	Performance Period	Estimated Cost
0001	Transition Operations Phase	90 days	[Contractor Fill-In]

- (b) **CLIN 0002 - Conversion Operations and Project Support - Cost Plus Award Fee**: See Sections C.4, C.5, C.6 and C.8.

CLIN	Description of Services	Performance Period	Total Estimated Cost	Total Available Fee	Total Estimated Cost and Fee
0002	Conversion Operations	60 months	[Contractor Fill-In]	[Contractor Fill-In]	[Contractor Fill-In]

- (c) **CLIN 0003 – Cylinder Management – Firm Fixed Price**: See Section C, Performance Work Statement (PWS) C.7.

CLIN	Description of Services	Performance Period	Unit Price Per Month	Total Firm Fixed Price
0003	Cylinder Management	60 months	[Contractor Fill-In]	[Contractor Fill-In]

(d) **CLIN 0004 – Defined Benefit Pension Costs- Cost Reimbursable- No Fee.**

CLIN	Description of Services	Performance Period	Estimated Cost
0004	Defined Benefit Pension Costs	60 months	\$ 3 <u>15</u> ,000,000

(e) **The total estimated value the Contract is: \$(Contractor Fill-in).**

B.3 FEE DETERMINATION AND PAYMENT - CLIN 0002

- (a) There is no base fee amount for the term of the Contract. The determination of award fee shall be consistent with the Performance Evaluation and Measurement Plan (PEMP) (Section J, Attachment J-13).
- (b) The PEMP will set forth the evaluation period(s) and the criteria upon which the Contractor will be evaluated for performance relating to any (1) technical requirements, (2) management requirements, and (3) other criteria selected for evaluation. The Contractor may submit a self-evaluation of performance for each evaluation period. While it is recognized that the basis for determination of the fee shall be the evaluation by the Government, the self-evaluation which is to be received within 15 days after the end of the period being evaluated will be given such consideration as the FDO shall find appropriate.
- (c) The Contracting Officer (CO) will prepare and issue the PEMP not later than 30 calendar days prior to the start of the annual evaluation period(s). The CO may solicit input of the requirements to be set forth in the PEMP for the award fee period. Prior to the beginning of each award fee period, DOE and the Contractor shall discuss the requirements to be set forth in the PEMP for the award fee period. The Government may unilaterally revise the PEMP prior to the start of any evaluation period. Notification of any changes that impact the criteria upon which the Contractor will be evaluated shall be provided to the Contractor not later than 30 calendar days prior to the start of the period to which the change will apply. After an evaluation period has begun, changes may only be made by mutual agreement of the parties. The PBIs may be a combination of single year and multi-year.
- (d) The amount of earned total annual Award Fee shall be unilaterally determined by the Fee Determining Official (FDO) annually. This determination shall be based upon the FDO's evaluation of the Contractor's performance, as measured against the PEMP. Upon the FDO's final determination of the earned award fee for each evaluation period, the Contractor may request the annual Award Fee amount.
- (e) The FDO may authorize payment of fee once performance is complete and evaluated. Any unearned award fee from each annual Award Fee evaluation period will not be eligible to be earned in any future annual Award Fee period(s).

B.4 ALLOWABILITY OF SUBCONTRACTOR FEE

- (a) Separate, additional subcontractor fee is not an allowable cost under this Contract for individual team members, or for a subcontractor, supplier, or lower-tier subcontractor that is wholly-owned by, majority-owned by, or affiliated with of any team member.
- (b) The subcontractor fee restriction in paragraph (a) does not apply to members of the Contractor's team that are: (1) small business(es); (2) Protégé firms as part of an approved Mentor-Protégé relationship under the Section H Clause entitled, Mentor-Protégé Program; (3) a competitively awarded firm-fixed price or firm-fixed unit price subcontract; or (4) competitively awarded subcontracts for commercial items as defined in FAR Subpart 2.1, Definitions.

B.5 OBLIGATION OF FUNDS

- (a) Pursuant to Section B.10 clause entitled "Limitation of Government's Obligation", the total amount of incremental funding allotted is \$ **TBD** for CLIN 0003.
- (b) Pursuant to Section I clause entitled FAR 52.232-22 "Limitation of Funds", the total amount of incremental funding allotted is \$ **TBD** for CLINs 0001, 0002 and 0004.

B.6 FUNDING PROFILE

DOE intends to obligate funding to the Contract in accordance with the following funding profile:

Transition Operations Phase (MM-DD-YYYY through MM-DD-YYYY)	Contract Year 1 (MM-DD-YYYY through MM-DD-YYYY)	Contract Year 2 (MM-DD-YYYY through MM-DD-YYYY)	Contract Year 3 (MM-DD-YYYY through MM-DD-YYYY)	Contract Year 4 (MM-DD-YYYY through MM-DD-YYYY)	Contract Year 5 (MM-DD-YYYY through MM-DD-YYYY)	Total
TBD	TBD	TBD	TBD	TBD	TBD	TBD

Note: TBD amounts to be inserted at the time of Contract award

The provided funding profile represents the Government's current estimate of future funding. Actual funding may be greater or less than these estimates. The above funding profile is an estimate only, and not a guarantee of funding. There is no commitment by DOE to request funds equivalent to this assumed funding.

Available funds depend on Congressional appropriations and priorities within the DOE.

B.7 AUTHORIZATION OF TRANSITION COSTS UNDER THE CONTRACT-CLIN 0001

The Transition Operations Phase will begin with the issuance of a Notice to Proceed (NTP) by DOE. The Transition Operations Phase is anticipated to be up to 90 days from the issuance of the NTP, after which of the Contractor assumes full responsibility for operation of the conversion facilities. During the TOP, the Contractor shall perform those activities necessary to assume full responsibility for the Contract requirements. During the Transition Operations Phase, the Contractor shall bring to the site its management team and other staff necessary to plan and conduct those activities that provide for an orderly transfer of responsibilities and accountability, as authorized by the CO. The Contractor shall coordinate its activities with DOE and the Incumbent Contractor to accomplish these activities (see PWS Section C.3.0) in a manner that will provide for an effective transition of personnel and work activities while minimizing the cost of this effort. There will be no fee for the Transition Operations Phase, but the estimated cost of transition is included in the total estimated value of this Contract.

B.8 CONDITIONAL PAYMENT OF FEE

Based on the importance DOE places on the Contractor's or Contractor employees' compliance with the terms and conditions of this Contract relating to environment, safety and health (ES&H) (which includes worker safety and health and performance under an approved Integrated Safety Management System (ISMS)) and the safeguarding of restricted data and other classified information, fee determinations are subject to unilateral reductions. See Section I clause DEAR 952.223-77 *Conditional Payment of Fee or Profit –Protection of Worker Safety and Health*.

B.9 SMALL BUSINESS SUBCONTRACTING FEE REDUCTION

For the purpose of implementing this Clause, the percentage goals established in Section J Attachment entitled, Small Business Subcontracting Plan, consistent with Section H.35, DOE-H-2050 INCORPORATION OF SMALL BUSINESS SUBCONTRACTING PLAN – ALTERNATE 1 (OCT 2014) :

(a) The Contractor's performance in meeting small business performance percentage goals in accordance with the approved Small Business Subcontracting Plan will be evaluated at the end of each award fee period.

(b) If the Contractor has not met any or all of the subcontracting goals, and/or has failed to provide meaningful involvement for small business, DOE may reduce

the award fee earned. The reduction amount may be up to 25% of the award fee earned. The reduction will occur for the award fee period being evaluated.

B.10 FEE REDUCTIONS

- (a) All earned fee in each year of Contract performance is subject to reductions imposed by the terms and conditions of this Contract, including, but not limited to:
 - (1) Section B Clause entitled, *Fee Determination and Payment-CLIN 0002*;
 - (2) Section B Clause entitled, *Conditional Payment of Fee*;
 - (3) Section B Clause entitled, *Small Business Subcontracting Fee Reduction*;
 - (4) Section E Clause entitled, *FAR 52.246-5, Inspection of Services – Cost Reimbursement*;
 - (5) Section H Clause entitled, *Key Personnel*;
 - (6) Section I Clause entitled, *FAR 52.203-10, Price or Fee Adjustment for Illegal or Improper Activity*;
 - (7) Section I Clause entitled, *FAR 52.215-11, Price Reduction for Defective Certified Cost or Pricing Data – Modifications*;
 - (8) Section I Clause entitled, *FAR 52.215-13, Subcontractor Certified Cost or Pricing Data – Modifications*;
 - (9) Section I Clause entitled, *FAR 52.219-16, Liquidated Damages – Subcontracting Plan*;
 - (10) Section I Clause entitled, *FAR 52.243-2, Changes – Cost Reimbursement Alternate I; and*,
 - (11) Section I Clause entitled, *DEAR 952.223-77 Conditional Payment of Fee or Profit –Protection of Worker Safety and Health*.

B.11 LIMITATION OF GOVERNMENT’S OBLIGATION – CLIN 0003

- (a) This Contract’s CLIN 0003 has traditional Federal Acquisition Regulation firm-fixed-prices and Contract terms and conditions, with the exceptions that: CLIN 0003 may be incrementally funded; and if a CLIN is incrementally funded, in the event of termination before it is fully funded the Government’s maximum liability for the CLIN will be the lower of the amount of funds allotted to the CLIN or the amount payable to the Contractor per the

Termination for Convenience (Fixed-Price) clause of this Contract. For each CLIN there is:

- 1) a fixed price for the action;
- 2) a fixed amount of work that corresponds to the firm-fixed-price;
- 3) a planned funding schedule that corresponds to the firm-fixed-price and the fixed amount of work;
- 4) no Government obligation to the Contractor until the Government allots funds to the Contract for the action;
- 5) if the Government incrementally allots funds, both a firm-fixed-price for the services the allotted funds cover and a maximum Government obligation, including any termination obligations, to the Contractor equal to the allotted funds; and
- 6) an obligation that the Government will pay the Contractor for the work the Contractor performed for which funds were allotted based on the firm-fixed-price for the services the allotted funds covered and the firm-fixed-price of the work performed, not the costs the Contractor actually incurred.

(b) For each CLIN:

- 1) the Government's maximum obligation, including any termination obligations and obligations under change orders, equitable adjustments, or unilateral or bilateral Contract modifications, at any time is always less than or equal to the total amount of funds allotted by the Government to the Contract for the CLIN;
- 2) the Contractor explicitly agrees it reflected (that is, included or could have included an additional amount) in its offered price and in the subsequent negotiated firm-fixed-price for each of the firm-fixed-price CLINs included in this Contract:
 - i. the added complexity, challenges, and risks (including all risks, costs or otherwise, associated with termination as articulated in this clause) to which the Contractor is subject due to the incremental funding arrangement established in this clause; and
 - ii. the specific risk that in the event of termination of an incrementally funded CLIN before the CLIN is fully funded, the Contractor could receive less than the Termination for Convenience (Fixed-Price) clause of this Contract would allow, that is, because the maximum Government obligation for a firm-fixed-price CLIN is the allotted funds for the CLIN, the Contractor will receive the lower of the allotted funds or what the Termination for Convenience (Fixed-Price) clause of this Contract would allow.
- 3) the Contractor is not authorized to continue work beyond the point at which the total amount payable by the Government, which is the firm-fixed-price of the services the allotted funds cover, equals the total amount allotted to the Contract for the services;
- 4) if funds become available and the Government's need continues, the Government will allot funds periodically to the CLIN, the Contractor will provide a fixed amount of work for the funds allotted, and the Government

will pay the Contractor based on the firm-fixed-price of the fixed amount of work. The Government will not pay the Contractor based on the costs the Contractor incurs in performing the work; and

- 5) the Contractor agrees to provide the fixed amount of work for the firm-fixed-price identified in the Contract's Section B, Supplies or services and prices/costs, and in accordance with the delivery schedule identified in the Contract's Section F, Deliveries or performance, provided the Government provides the funding per or earlier than the Planned Funding Schedule in paragraph (n) of this clause. At any time, the cumulative amount of funds allotted is the fixed price for the cumulative fixed amount of work identified with the funds.

(c) For each CLIN:

- 1) The firm-fixed-price (of both the entire CLIN and of the current cumulative amount of funds allotted to the CLIN at any time during Contract performance) is not subject to any adjustment on the basis of the Contractor's cost experience;
- 2) The Contract places the maximum risk and full responsibility on the Contractor for all costs and resulting profit or loss; and
- 3) If the Government meets the entire Planned Funding Schedule,
 - i. the cumulative amount of funds allotted will equal the CLIN's firm-fixed-price and
 - ii. the Contractor must provide the work the Contract requires for the CLIN.

(d) The firm-fixed-price for each CLIN is listed in Section B of this Contract.

(e) The Planned Funding Schedule for each CLIN is in paragraph (n) of this clause. The sum of the planned funding for each CLIN equals the firm-fixed-price of the CLIN.

(f) The Actual Funding Schedule for each CLIN is in paragraph (o) of this clause. It specifies the actual amount of funds allotted and presently available for payment by the Government separately for CLIN 0003, and the work to be performed for the funds allotted.

- 1) The Contractor may bill against a CLIN only after the Government has allotted funds to the CLIN and the Contractor has delivered the services and earned amounts payable for the CLIN.
 - i. The Contractor may bill only the lower of the two preceding amounts, that is, the lower of allotted funds or amount payable.
 - ii. If the Contractor does not perform the Contract's requirements for the CLIN, it must return the amounts that it billed that the Government reimbursed.

(g) If during the course of this Contract the Government is allotting funds to a CLIN per or earlier than the Planned Funding Schedule, this Contract to that

point will be considered a simple firm-fixed-price Contract for that CLIN regardless of the rate at which the Contractor is, or is not, earning amounts payable, and:

- 1) The Government's and the Contractor's obligations under the Contract for the CLIN—with the exception that the Government's obligation for the CLIN is limited to the total amount of funds allotted by the Government to the CLIN and similarly the Contractor is not authorized to continue work beyond the point at which the total amount payable by the Government equals the total amount allotted—will be as if the CLIN were both firm-fixed-price and fully funded at time of Contract execution, that is, the Contractor agrees that: it will perform the work of the Contract for that CLIN; and neither the firm-fixed-price for the CLIN nor any other term or condition of the Contract will be affected due to the CLIN's being incrementally funded.
 - i. The Contractor agrees, for example, if the Government allots funds to a CLIN per or earlier than all of the funding dates in the Planned Funding Schedule for the CLIN, the Government has met all of its obligations just as if the CLIN were fully funded as of the time of Contract execution and the Contractor retains all of its obligations as if the CLIN were fully funded as of the time of Contract execution, while at the same time the Contractor is not authorized to continue work beyond the point at which the total amount payable by the Government equals the total amount allotted to the Contract; consequently, if the Contractor earns amounts payable at any time in performing work for the CLIN that exceed the total amount of funds allotted by the Government to the Contract for the CLIN
 - A. it (not the Government) will be liable for those excess amounts payable
 - B. it will remain liable for its obligations under every term or condition of the Contract and
 - C. if it fulfills all of its obligations for that CLIN and the Government allots funds to the CLIN equal to the CLIN's firm-fixed-price, the Government will pay it the firm-fixed-price for the CLIN and no more.
 - ii. The Contractor also agrees, for example, if the Government allots funds to a CLIN by the first funding date in the Planned Funding Schedule, the Government has met all of its obligations up to that point in the Contract as if the CLIN were fully funded (that is, as if progress payments based on cost had been agreed to and had been made, or milestone payments had agreed to and been made, or etc.) and the Contractor retains all of its obligations up to that point (such as meeting delivery schedules, maintaining quality, etc.) as if the CLIN were fully funded; consequently, if the Government subsequently terminates the CLIN it will pay the Contractor the lower of the following two amounts: the amount allotted by the

Government to the CLIN; or the amount payable per the Termination for Convenience (Fixed-Price) clause of this Contract.

- (h) The Contractor shall notify the CO in writing whenever it has reason to believe that the amount payable it expects to earn for the CLIN in the next 60 days, when added to all amounts payable previously earned, will exceed 75 percent of the total amount allotted to the CLIN by the Government.
 - 1) The notification is for planning purposes only and does not change any obligation of either the Government or the Contractor.
 - 2) The Contractor is not authorized to continue work beyond the point at which the total amount payable by the Government equals the total amount allotted to the CLIN.
 - 3) The Government may require the Contractor to continue performance of that CLIN for as long as the Government allots funds for that CLIN sufficient to cover the amount payable for that CLIN.
- (i) If the Government does not allot funds to a CLIN per or earlier than its Planned Funding Schedule, the Contractor may be entitled to an equitable adjustment and:
 - 1) the Government's maximum obligation, including any termination obligation, to reimburse the Contractor remains limited to the total amount of funds allotted by the Government to the Contract for that CLIN;
 - 2) the Contractor is not authorized to continue work beyond the point at which the total amount payable by the Government equals the total amount allotted to the Contract;
 - 3) if the Government subsequently terminates the CLIN, it will pay the Contractor the lower of the following two amounts: the total amount of funds allotted by the Government to the Contract for the CLIN; or the amount payable per the Termination for Convenience (Fixed-Price) clause of this Contract.
- (j) Except as required by either other provisions of this Contract specifically citing and stated to be an exception to this clause, or by, among other things, terminations, change orders, equitable adjustments, or unilateral or bilateral Contract modifications specifically citing and stated to be an exception to this clause, for either CLIN:
 - 1) The Government is not obligated to reimburse the Contractor in excess of the total amount allotted by the Government to this Contract for the CLIN; and
 - 2) The Contractor is not obligated to continue performance under this Contract related to the CLIN or earn amounts payable in excess of the amount allotted to the Contract by the Government until the CO notifies the Contractor in writing that the amount allotted by the Government has been increased and specifies an increased amount, which shall then constitute the total amount allotted by the Government to the CLIN.

- (k) No notice, communication, or representation in any form, including, among other things, change orders, equitable adjustments, or unilateral or bilateral Contract modifications, other than that specified in this clause, or from any person other than the CO, shall affect the amount allotted by the Government to this Contract for a CLIN, which will remain at all times the Government's maximum liability for a CLIN. In the absence of the specified notice, the Government is not obligated to reimburse the Contractor for any amounts payable earned for a CLIN in excess of the total amount allotted by the Government to this Contract for a CLIN, whether earned during the course of the Contract or as a result of termination.
- (l) Change orders, equitable adjustments, unilateral or bilateral Contract modifications, or similar actions shall not be considered increases in the Government's maximum liability or authorizations to the Contractor to exceed the amount allotted by the Government for a CLIN unless they contain a statement increasing the amount allotted.
- (m) Nothing in this clause shall affect the right of the Government to terminate this Contract for convenience or default.

(n) Planned Funding Schedule:

CLIN 0003 (DUF6 Cylinder Management (FFP))				
<u>Date</u>	<u>Funds to Be Allotted</u>	<u>Work to Be Accomplished</u>	<u>Cumulative Funds to Be Allotted</u>	<u>Cumulative Work to Be Accomplished</u>

(o) Actual Funding Schedule:

CLIN 0003 (DUF6 Cylinder Management (FFP))				
<u>Date</u>	<u>Funds to Be Allotted</u>	<u>Work to Be Accomplished</u>	<u>Cumulative Funds to Be Allotted</u>	<u>Cumulative Work to Be Accomplished</u>